Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Inquiry Concerning Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion	)	GN Docket No. 18-238

REPLY COMMENTS OF THE UTILITIES TECHNOLOGY COUNCIL

The Utilities Technology Council hereby provides the following reply comments in the above-referenced proceeding.[1] UTC supports the Commission's goal of ensuring that broadband deployment is occurring on a reasonable and timely basis, as directed according to the provisions of Section 706 of the Communications Act. As more fully described herein, UTC urges the Commission to remedy the digital divide between unserved and served areas by promoting the deployment of broadband networks and the provision of broadband services that are robust, affordable and reliable. Specifically, UTC supports the deployment of broadband networks that are scalable to meet increasing capacity requirements into the future, and it urges the FCC to increase the benchmark speed for broadband as providing speeds that are faster than 25/3 megabits per second (Mbps). Doing so would promote access to broadband services in rural areas that are reasonably comparable in quality to the broadband services that are available in urban areas, consistent with congressional directives for universal service.

As UTC has reported in response to previous Broadband Progress Report inquiries, utilities are deploying fiber-based broadband networks in areas that were previously unserved, and they are offering broadband in various service tiers ranging up to gigabit speeds for less than $100/month.[2] Utilities report

[1]Inquiry Concerning Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, Fourteenth Broadband Deployment Report Notice of Inquiry, GN Docket No. 18-238 (released August 9, 2018)("Broadband Progress Report NOI"). For more information about UTC, visit www.utc.org.

[2] *See e.g.* Comments of the Utilities Technology Council in GN Docket No. 16-245 at 4 (filed Sept. 6, 2016)(reporting that utilities have been able to cost-effectively deploy future-proof broadband networks in rural areas, such that they are providing gigabit services for less than $100/month in some cases.)

that consumer adoption of their broadband services is high, and the most popular service tier tends to be 50 Mbps download speeds.[3] This demonstrates that consumers in rural areas will subscribe to faster broadband speeds that are offered at affordable prices. It also underscores the point that rural Americans should not be left behind with marginal broadband services, and that they want and will buy broadband that is reasonably comparable in quality and cost compared to broadband services that are offered in urban areas.

I. The Commission Should Increase its Benchmark for Speed, and also Factor the Capacity, Scalability, Latency, Jitter and Affordability of Broadband Services.

Utilities are deploying future-proof broadband networks as a means for promoting economic development. A study by the National Rural Electric Cooperative Association (NRECA) estimates that the lack of fixed broadband in 6.3 million electric co-op households translates to more than $68 billion in lost economic value.[4] Utilities recognize that faster broadband speeds will help to attract businesses to rural areas, and that faster broadband speeds enable consumers to work from home. Moreover, faster broadband speeds enable consumers to find better and higher paying jobs. This is important for rural America, where the most recent census has shown population declines for the first time in our nation's history. Without access to faster broadband speeds and the economic opportunities that are associated with broadband, people will continue to move from rural areas to find better economic opportunities in urban and suburban areas where faster broadband services are available and affordable. This underscores the importance of defining broadband in terms of faster speeds.

In addition to speed, the Commission should also factor capacity, latency, jitter, scalability and affordability when defining broadband. These qualitative factors are critical for consumer adoption of broadband services, and latency and jitter are particularly important for Internet of Things applications,

[3] *See Id*. at 5 (stating that "[u]tilities are finding that consumers are generally subscribing to broadband services of 50 mbps where utilities are offering broadband.")

[4] NRECA, Business & Technology Report, Unlocking the Value of Broadband for Electric Cooperative Consumer Members, at 3 (Sept. 2018) available at http://www.electric.coop/wp-content/uploads/2018/09/Unlocking-theValue-of-Broadband-for-Co-op-Consumer-Members_Sept_2018.pdf (NRECA Broadband Report).

such as smart grid that are driving demand for broadband by industrial, business and residential consumers. Broadband networks should posess sufficient capacity so that consumers are allowed a minimum of 150 GB of data per month (or a usage allowance that reflects the average usage of a majority of fixed broadband customers in the country, whichever is higher). Latency should be 100 milliseconds (ms) or less. Finally, affordability should be factored so that the cost of service in rural areas is reasonably comparable to the cost of similar services that are available in urban areas. Scalability should also be measured in order to ensure that broadband networks are capable of meeting increasing consumer demands in terms of both capacity and speed into the future.

II. Mobile Broadband is Not a Substitute for Fixed Broadband Services, and the Commission Should Continue to Treat Them as Separate Services.

UTC submits that mobile broadband is not a substitute for fixed broadband services, which is proven by consumer behavior and expectations. Consumers use mobile and fixed broadband services in distinctly different ways, and there are significant differences in the capabilities of mobile and fixed broadband technologies which also underscore the need to treat them as distinctly different services that cannot be substituted for one another. UTC submits that fixed and mobile broadband are complementary and not substitutes for purposes of determining whether broadband is being deployed on a reasonable and timely basis, pursuant to section 706 of the Communication Act. As such, the Commission should consider them separately and independently from each other, and the Commission should not determine that broadband is being deployed on a reasonable and timely basis, if an area is only being served with mobile wireless broadband.[5]

III. Pole Attachments Are Not a Barrier to Broadband and Lower Rates and Additional Access Requirements Have Not Closed the Digital Divide in Rural Areas.

Finally, UTC disagrees with some comments on the record that argue that additional regulations

[5] *See also* Comments of NRECA at 4-6 (underscoring that "Section 706 Reports should continue to assess the availability of fixed and mobile broadband separately."); and Comments of the Wireless Internet Service Providers Association at 2-4 (stating that "The Commission should continue to consider fixed and mobile services as distinct technological offerings.") *But see* Comments of AT&T at 5-6 (arguing that "mobile broadband is a functional substitute for fixed broadband.").

are needed with regard to infrastructure access in order to promote broadband deployment.[6] As UTC has commented in numerous proceedings, including the Commission's previous Section 706 proceedings, there is no evidence that reducing rates for pole attachments has closed the digital divide. Nor have additional pole attachment access regulations led to increased broadband access in rural areas.[7] Instead, UTC believes that reduced rates have only resulted in higher profit margins for broadband providers, and UTC is concerned that additional pole attachment access requirements will undermine the integrity of critical infrastructure and threaten safety, reliability and security.[8] UTC reiterates that pole attachments are not a barrier to broadband deployment, and that the Commission should find other ways besides providing the communications industry with additional subsidies and access requirements that do not promote the public interest in broadband in rural areas.

[6] *See e.g.* Comments of AT&T at 7 (claiming that the Commission can "reduce the digital divide by continuing its efforts to remove unreasonable barriers to infrastructure deployment for wireline and wireless carriers, including through adoption of [new rules for permitting of wireless facilities.]") *and* Comments of the US Telecom Association at 7 (stating that the Commission should consider how to remove further broadband investment barriers that result from pole attachment rates outside of the FCC's Section 224 authority.")

[7] UTC agrees with the Comments of the National Rural Electric Cooperative Association that stated that [pole attachment] [p]olicies adopted in early August to promote wireline broadband may have a positive impact in urban areas, but the reality is that the major service providers have shown little interest in extending their networks into rural areas." *See* Comments of NRECA at 6-7. Utilities have offered free pole attachments for broadband service providers who are willing to serve unserved areas, but none of the broadband providers accepted the offer.

[8] Despite lower rates for pole attachments, the Commission has determined during the same time period that broadband is not being deployed on a reasonable and timely basis.

Conclusion

UTC urges the Commission to define broadband in terms of faster speeds, greater capacity, lower latency and jitter and better affordability. If the Commission pursues these goals, it will close the digital divide. By contrast, the Commission will discourage broadband deployment if it treats mobile and fixed broadband services as substitutes for each other, such that the availability of mobile broadband service will mean that an area no longer lacks access to broadband. UTC believes that consumer behavior is a sure sign that fixed and mobile broadband services are distinct from each other and should not be considered substitutes. Consumers use fixed and mobile services in distinctly different ways, and there are distinctly different characteristics – including data caps and overage fees, as well as slower speeds – that distinguish mobile broadband services in terms of performance and affordability. As such, the Commission should continue to treat fixed and mobile broadband as separate services and not as substitutes for each other. Finally, UTC believes that pole attachments are not a barrier to broadband, and that the Commission should not reduce rates and impose additional access requirements for pole attachments, which has proven not to promote broadband access in rural areas.

Respectfully,

Utilities Technology Council

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Brett Kilbourne
Vice President Policy and General Counsel
Utilities Technology Council
1129 20th Street NW
Suite 350
Washington, DC 20036
202-872-0030

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